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November 14, 2016

Written *Ex Parte* Presentation

Marlene H. Dortch
Secretary
Federal Communications Commission
445 12th Street SW
Washington, DC 20554

Attention: Wireline Competition Bureau

Re: Connect America Fund – WC Docket No. 10-90

Dear Ms. Dortch:

Moapa Valley Telephone Company files this letter to express its thoughts regarding principles the FCC should follow when addressing rate-of-return carriers' high level of acceptance of support offers based on the Alternative Connect America Cost Model (A-CAM). Rate-of-return carriers' election of A-CAM support would produce support and transition payments that significantly exceed the overall 10-year budget set by the Commission for carriers electing the model path.¹

Moapa Valley Telephone is a rate-of-return regulated company headquartered in Overton, Nevada and serves approximately 3000 customers with high-quality broadband and voice services. The stability of the A-CAM gives us the opportunity to replace aging copper facilities with higher speed options bringing economic opportunities to our rural community.

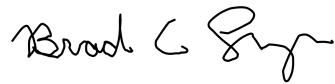
¹ See, *Wireline Competition Bureau Announces Results of Rate-of-Return Carriers That Accepted Offer of Model Support*, WC Docket No. 10-90, Public Notice, DA 16-1246 (WCB rel. Nov. 2, 2016).

Moapa Valley Telephone recommends that any measure(s) the FCC takes to address the high level of interest in A-CAM should adhere to the following principles:

1. *High-cost Universal Service Fund (USF) support for rate-of-return carriers should be fully funded, both for carriers electing A-CAM and those opting to remain on the reformed legacy mechanisms.* Absent full funding, rate-of-return carriers will be increasingly challenged in their ability to: (1) continue deploying and upgrading broadband service throughout their territories; (2) provide service at affordable and “reasonably comparable” rates (standalone broadband in particular); (3) maintain their networks; and (4) repay infrastructure loans. These outcomes are antithetical to the Commission’s objectives for modernization of the high-cost USF program for rate-of-return carriers.
2. *If high-cost USF support for rate-of-return carriers cannot be fully funded, then the FCC should allocate the proposed additional \$50 million from the CAF reserve account to the A-CAM budget.*² Doing so will help to limit the number of carriers the FCC may need to make ineligible for model-based support and/or improve the revised support offers to these carriers. It will also result in greater broadband deployment, faster speeds, and more affordable rates in the areas served by these companies.
3. *Any measure(s) the FCC adopts to address the A-CAM budget shortfall should seek to maintain A-CAM eligibility for as many carriers as possible that initially elected model-based support.* Carriers that accepted the A-CAM support offer expended significant time and effort to determine whether and how model-based support would be beneficial for their rural customers and communities. Therefore, they should be given every opportunity to continue to elect A-CAM support.
4. *Any reduction in a carrier’s offer of model-based support must be accompanied with an appropriately calculated reduction in broadband deployment obligations.* This includes a reduced number of locations for which there is a defined deployment obligation and/or reduced minimum speed requirements for such deployments.

² *Connect America Fund et al.*, Report and Order, Order and Order on Reconsideration, and Further Notice of Proposed Rulemaking, WC Docket No. 10-90 et al., DA 16-661 (rel. Jun. 15, 2016), para. 62.

Respectfully Submitted,

A handwritten signature in black ink, appearing to read "Brad C. Lyon". The signature is fluid and cursive, with the first name "Brad" being the most prominent.

Brad Lyon
Vice President

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